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SUBJECT: BURMA: FRANCE CONCERNED ABOUT BANK MEASURES IN EU SANCTIONS REGIME

REF: STATE 125635

Classified By: Acting Political Deputy Gregory S. D'Elia. Reasons 1.4 (b/d).

¶1. (C) France wants to adjust EU sanctions on Burma to address banking sector concerns but will not accept any weakening of measures against the Junta, MFA DAS-equivalent for Southeast Asia Frederic Laplanche told us December 1 in response to reftel points. With respect to restructuring specific target lists, France favors changes to Annex I because of what Laplanche termed its excessive restrictions on banking. "The name lists are so extensive that they block all bank activity," he said. As for the overall sanctions picture, Laplanche stressed that France and the EU share the U.S. view on maintaining a united stance with respect to the Junta and assuring that sanctions are effective. A discussion about how to toughen measures could occur in the context of EU Council reauthorization for Burma sanctions, scheduled for April 30, 2009.

¶2. (C) Poloff told Laplanche that the USG recognizes the technical complexity of applying sanctions but urges the EU to not make a restructuring decision on Annex I that the Junta could interpret in any way as a weakening of measures. In connection with this, Poloff passed a copy of the OFAC paper (see reftel) and emphasized that U.S. experts are prepared to consult with French or EU officials on the matter. Underlining that France favors a strong and effective sanctions regime, Laplanche judged that the West's efforts to squeeze the Junta to date have yielded disappointing results. Against this backdrop, he contended it is important for the United States and Europe "to keep a foot in the door" in Burma and attempt to influence political events through engaging with the Burmese government and people. New or tougher sanctions alone will not do the trick. "We do not want to see the country isolate itself like North Korea," Laplanche said.

¶3. (C) While France wants to avoid pushing Burma into isolation, engagement should not proceed unconditionally, Laplanche said. Noting that the Secretary General's office currently drives Burma policy at the United Nations, Laplanche expressed agreement with the U.S. opinion that UN SYG Ban Ki-moon should not visit Burma unless the Junta takes concrete measures to improve the political and humanitarian situation. "The Junta should not be allowed to use Ban as a prop to advertise legitimacy," Laplanche concluded.

STAPLETON